



KTA- COMPETE CAPACITY ENHANCING TO SUSTAINABILITY

2012 QUARTERLY TECHNICAL ACTIVITIES REPORT

(JULY - SEPTEMBER 2012)



KTA – COMPETE GRANT – BASIC INFORMATION

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P F Tracking Number:	KTA-STA-012-024
Title of Activity:	KTA-COMPETE CAPACITY ENHANCING TO SUSTAINABILITY
Start Date of Reporting Period:	1 st July 2012
End Date of Reporting Period:	30 th September 2012
End Date of Report:	30 th September 2012
Date Report Submitted:	5 th October 2012

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1. OBJECTIVE

The core objective of this report is to highlight on the key activities undertaken and the extents to which targets set for the third quarter (July – September) of 2012 have been met.

The analysis has been based on the three (3) pillars outlined in the KTA Strategic Plan namely;

- Advocacy.
- Institutional Development and Sustainability.
- Member Services.

NARRATIVE REPORTS

2 ADVOCACY

2.1 The One Stop Border Post, OSBP

On 2nd and 3rd July 2012, KTA attended the above meeting convened by the Ministry of East African Community in Moshi. During the meeting, KTA was allocated a seat on the National Policy Steering Committee (NPSC).

The meeting shared the need to come up with modalities of developing bilateral agreement between Kenyan and Tanzanian NPSCs.

The issue of Kenyan trucks at BUSTEMA was also highlighted at the meeting. The meeting noted that there is an urgent need to harmonize weighing standards as we progress towards operationalizing the OSBPS and see how this matter can be eliminated as an NTB.

Between 7th-10th August, KTA attended the OSBP Steering Committee meeting held in Moshi- Tanzania to espouse our members interests as part of our advocacy function – KTA is a member of the Steering Committee.

The main objectives of the meeting were;

- i To review the progress on construction of the OSBP structures/offices at Holili (TZ) and Taveta (Kenya) border points and discuss other formalities of the OSBP operations.

Observations/Conclusions:

- There is need to have OSBP infrastructure that can accommodate heavy trucks and buses carrying merchandize for resale as such the verification shed should be designed to allow for easy movement and faster clearance of goods. The necessary structural modifications have already been availed for implementation.
- The respective governments should provide the necessary budgetary facilitation to cover for overheads. The respective revenue authorities will be responsible for the overall maintenance of the premises.
- Construction of the Holili post (TZ) is almost complete while the Taveta post is at the foundational level. It was observed that Kenya seems to be lagging behind with respect to construction of OSBPs on its side.

- ii. To draft, review and witness the signing of the bilateral agreement on the OSBP between Kenya and Tanzania:
 - During the meeting the governments of Kenya and Tanzania signed the bilateral agreement concerning the establishment and implementation of One Stop Border Posts. The bilateral agreement was a culmination of extensive consultation among the key stakeholders.

The bilateral agreement sets out to administer the following key aspects;

- Establishment and objectives of OSBPs
- Control Zones
- Border Controls
- Application of Border Control Laws
- Criminal Jurisdiction
- Rules governing conduct of officers and facilitation agents
- Facilities

2.2 Joint Border Committees Assessment

On July 9 – 13, 2012, KTA participated in the Joint Border Committees (JBCs) Assessment Program at the Malaba border. Interviews and follow-up meetings were held between facilitation committees and other stakeholders on both sides of the Kenya and Uganda borders. Key facilitators were KRA and URA Revenue Officers on both sides of the border and the freight forwarders associations of both Kenya and Uganda. KTA also participated in the FEAFFA Code of Conduct sensitization campaign during this visit.

The establishment of JBCs fundamentally seeks to ensure proper co-ordination of the various services in order to guarantee that borders are managed with maximum effectiveness and efficiency while facilitating trade through the border post.

JBCs are a precursor for effective implementation of One Stop Border Post (OSBP) and Single Window Systems (SWs) operations that are key to achievement of Integrated Border Management systems.

The JBC needs assessment is carried out based on six pillars namely;

1. Institutional Frameworks and Service Delivery that provides the recommended organizational setting for introducing JBCs and eventually the IBM concept.
2. Legal and Regulatory Framework which describes the necessary legal basis for cooperation and information exchange necessary to ensure trade is facilitated.
3. Operations and Border Post Management Systems that serve as a necessary guide to areas of improvement.
4. Human Resources and Training that deals with recruitment and educational/training issues within the framework of coordination and cooperation.
5. Communication and Information Exchange that provides guidance on how best to create standardized and efficient flows and exchanges of information
6. Infrastructure and Equipment that compliments each chapter by recommending how equipment and facilities can support cooperation and coordination at all levels.



Clearing agents at a Clearing Post

2.3 Constraints in Empty Containers Depot Meeting

On July 17, 2012 KTA attended a stakeholders meeting at the Kenya Maritime Authority offices in Mombasa to discuss ways to decongest empty container depots and eliminate delays. The meeting comprised of the following organizations: the Kenya Maritime Authority (KMA), Kenya Ports Authority (KPA), Kenya Transporters Association (KTA Ltd), Kenya Ships Agents Association (KSAA) Kenya International Freight Forwarders and Warehousing Association (KIFWA), Container Freight Stations Hakika and Dodwell. The meeting came up with recommendations aimed at eliminating delays at empty containers depots.

2.4 Safe Way Right Way Meeting

On July 3, 2012, KTA attended the above meeting in Nairobi on invitation by Total (K) management.

The objective of the meeting was to discuss the pillars of function the initiative is anchored on and to chart the way forward. Safe Way Right Way is a World Bank initiative in response to the global epidemic; that is deaths on our roads. The UN announced the “UN Decade for Action on Road Safety 2011-2020”. UN Secretary General Ban Ki Moon has urged all stakeholders including governments and business leaders to support the implementation of the “Decade of Action for Road Safety”.

In line with the key objective of road traffic injury prevention of the Decade for Action on Road Safety, the Total Group partnered with the World Bank in 2010 in an initiative known as the Africa Road Safety Corridor Initiative. This partnership resulted in the creation of an NGO called “Safe Way Right Way” to improve road safety on two cross-border corridors.

These are the Northern Corridor (Mombasa-Nairobi-Malaba-Kampala-Kigali-Bujumbura) and the Central Africa Corridor (Douala-Bangui-Djamena). The two corridors were selected from twenty trade and transit corridors identified by the New Partnership for African Development (NEPAD).

The African Road Safety Corridor Initiative on the Northern Corridor was formally launched on April 27th, 2011 on the Kenya and Uganda border town of Malaba. The launch ceremony was presided over by dignitaries from the Governments of Kenya and Uganda, World Bank, Total and other private sector partners.

Other partners of the Safe Way Right Way project include D.T. Dobie and Company Limited, East African Breweries, Bollore (SDV Transami), DHL, Kenya Transport Association, North Star Alliance and Global Road Safety Facility.

In accordance with UN Decade of Action on Road Safety, Safe Way Right Way in conjunction with other stakeholders plans to reduce accidents on our roads by 50 per cent by the year 2020 by adopting the five pillars of the World Health Organization and World Bank *Safe Systems Approach*. These pillars are Road Safety Management, Safer Drivers and other Road Users, Safer Vehicles, Safer Roads and Mobility and Post Crash Response.

A follow-up meeting between KTA, Total (K) and Lafarge Group of Companies was held at KTA Secretariat on July 25, 2012 where a sample questionnaire on the above named pillars was discussed.



3rd July, 2012 Safe Way Right Way Members Meeting. In attendance were representatives of Petroleum Institute of East Africa (PIEA), Kenya Transporters Association (KTA), East African Breweries Limited(EABL), DT Dobie, DHL, North Star Alliance, Finalys, Bamburi Cement Ltd.



Group photo of trained drivers and officials at a training session organized by Safe Way Right Way and supported by Kenya Transporters Association.

2.5 Meeting with Port Police

On July 12, 2012, KTA held a meeting with an officer from the National Security Intelligence Services, NSIS based at the port of Mombasa. This meeting took place at the KTA Secretariat and touched on a number of issues in the cargo transportation process aimed at eliminating wastages in terms of time, human labor and money.

The officer lauded this kind of rapport amongst stakeholders in the industry and noted that constant consultations will help a great deal in bringing down the cost of doing business along the Northern Corridor.

2.6 Stakeholders Workshop to review the KPA Harbour Regulations

The Kenya Ports Authority (KPA) organized a stakeholders meeting on 9th August 2012 to discuss the draft KPA Harbor and Port Management Regulations. The meeting was attended by major stakeholders of the Port. Participants were taken through the draft regulations by the consultant and were later asked to give their views on the drafts.

The following issues were raised by various participants

- There should be a clause that stipulates the relationship between the Port as a regulator and as a land lord.

- The drafts should clearly show the impact of the constitution on the regulations. The meeting noted that the regulations would be subject to the constitution.
- The meeting noted that there are different constitutions in East Africa and they should be taken into consideration.
- There is a lot of overlap between the KPA and the KMA regulations. A meeting between the two Authorities was found desirable to stream line different roles.
- The function of KRA was discussed. The meeting was of the opinion that the function of customs should be modernized and operated outside of the Port. Sri Lanka was quoted as a model.
- The regulations should recognize all parties that play a role in the clearance of cargo.

Way Forward

- The versions distributed are still drafts which will be modified after further comments by stakeholders
- Comments by stakeholders and approval by the Board of KPA are expected by the month of September 2012
- Drafting of the new Ports Act will be carried out in October 2012
- Review by Attorney General as of October 2012
- Enactment will be done after the coming elections

Further to this meeting, the Secretariat circulated the draft regulations to members for their input on 13th August, 2012.

2.7 KPA Meeting to discuss Improvement of Gate Processes

KTA attended a meeting organized by KPA on 22nd August, 2012 to discuss improvement of gate processes. Soon after this meeting KRA issued a notice outlining the following conditions;

- i. That all processes must be finalized at the One Stop Centre before trucks are allowed into the port
- ii. That all trucks must have release tokens issued by the customs officers at the One Stop Centre
- iii. That all trucks must exit the port six hours from the time they are allowed in for loading, failure to which, applicable penalties will be charged.

Of particular concern to KTA is the third condition as this was neither discussed nor agreed upon at the meeting at the meeting. KTA has vehemently protested against suggestion by the Kenya Revenue

authority to penalize transporters who fail to exit the port of Mombasa six hours after loading cargo onto trucks. KTA reckons that this is not realistic because many times, trucks are held up inside the port for reasons occasioned by the KPA, KRA and other regulatory agencies operating from inside the port.

KTA has pointed out to the Kenya Revenue authority that penalties can only be levied where there are confirmed cases of defaulting.

2.8 Meeting with Minister for East Africa Community

KTA officials met with the Minister for East Africa Community (EAC) on Tuesday 28th August, 2012 in Nairobi. At the meeting, KTA raised some of the pertinent issues of concern to truck transporters in Kenya and the issues related to general health of trade in the region. We noted that the Minister is indeed seized of these issues and has been engaging regional stakeholders with a view to finding a solution. KTA further stressed on the need to urgently tackle these issues to mitigate suffering of transporters and consequently consumers. Subsequently, KTA prepared a memorandum which was also delivered to the Ministers. The memorandum comprehensively delved on:

- i. Authority for Transit Goods Licensed Vehicles to carry and distribute local cargo: KRA had earlier given this authority but with a caveat that transporters need to fix their trucks with Electronic Cargo Tracking (ECTS) devices. Notably, this directive was in contravention of a court order earlier obtained by KTA blocking the arbitrary, restrictive and discriminatory manner of implementation of the ECTS.
- ii. Un-harmonized Vehicle Load Control: In Kenya, trucks are weighed on Gross Vehicle Mass / Weight (GVW) rather than on axle load. This is after the Kenya Transporters Association, KTA, obtained restraining court order to this effect last year. Kenyan transporters carry copies of the court order for verification purposes as and when required by concerned parties. Ugandan authorities often disregard such legal documents and insist on weighing Kenya trucks based on axle load which complicates matters for the Kenyan transporter. Drivers are charged in Ugandan courts for overloading and end up paying heavy fines and wasting a lot of business time. This is prevalent at the Busitema & Mbale weighbridges. Further distressing reports from border crossing points between Kenya and Uganda indicate that Certificates of Origin documents presented to Ugandan officials for clearance of cargo are torn and thrown away if not accompanied with cash that is not receipted. The Kenyan transporter ends up spending a lot in terms of bribes once in Uganda to the extent very few transporters are unable to break even on their business targets. This trend is a direct reversal of the EAC spirit for regional integration whose objective is to enhance regional trade for the benefit of citizens of the EAC region.

In light of the above, KTA has made the following recommendations to the Ministry of East Africa Community (MEAC);

- i. Fast tracking of the proposal to have trucks weighed only twice at the point of loading and at border entry / or at point of off-loading of cargo.

- ii. Act on recommendations to reduce police checks/road blocks along the cargo delivery routes to those numbers recommended by the EAC Council of Ministers.
- iii. Fast track the draft EAC Vehicle Load Control Bill, 2012 for harmonization of the gross vehicle mass limits. In the mean time, a request has been made to the Minister for the East African Community to intervene to have Kenyan trucks weighed on gross vehicle weight rather than on axle load once in neighboring states especially in Uganda. This is so because KTA have a temporary court injunction forbidding the weighing of Kenyan trucks based on axle weight.
- iv. KRA to restate requirements concerning fitting of ECTS on trucks to accommodate views of transporters / truckers who happen to be key stakeholders.

2.9 Federation of East Africa Road Transport Associations (FEARTA) Workshop

KTA has been a steadfast proponent for the formation of a regional federation for RTAs in East Africa. During the Truckers Forum held in South Africa early this year, during which KTA Chairman was elected to the chairmanship of FESARTA, transporters were unanimous on the need to put in place structures for a regional federation. Consequently, TMEA in conjunction with KTA organized the first meeting of National Road Transport Associations (NRTAs) in East Africa on 31st August, 2012 in Mombasa purposefully to chart a way forward for the establishment of an apex regional Association.

The resolutions made at the meeting include:

- i Establishment of an Interim Oversight Committee: Five (5) individuals were selected to the Oversight Committee – KTA CEO being one of them.
- ii Immediate Roles of the Interim Oversight Committee: The Committee was tasked with the following roles;
 - To select its substantive officials in a meeting to be held in Bujumbura on 24th September, 2012;
 - To oversee establishment, governance, management and funding mechanism for the regional body;
 - To establish and staff a regional Secretariat
- iii Governance and Management of the Apex Regional association: It was agreed that the Interim Oversight Committee will establish a functional secretariat as the Executive Organ. The Secretariat is to be hosted in Bujumbura, Burundi.



Participants at the FEARTA workshop. Seated second from left is KTA CEO Mrs. Jane Njeru

3 INSTITUTIONAL DEVELOPMENT AND SUSTAINABILITY.

3.1 The East Africa HCV Drivers Training Institute

On July 28, 2012, a meeting was held between KTA, USAID-COMPETE officials and Lawrie Green Consultants to discuss the Business Plan for the Training Institute at Whitesands Hotel in Mombasa.

The meeting proposed as follows;

1. That at inception, the training should be subsidized as an incentive to prospective trainees,
2. That KTA member companies be advised to register with Directorate of Industrial Training (DIT) for reimbursement of training cost. This, it was observed, would be a reasonable incentive to send drivers for training,
3. That KTA should strive to make strategic alliances with other stakeholders with a view to harnessing their support for the project,
4. That KTA and COMPETE would approach Association of Kenya Insurers (AKI) to explore the possibility of getting discounted policies from insurers for members who partake in the training. This, it was observed, would act as an additional incentive to endear members to the project.

After extensive deliberations, the meeting concluded as follows;

1. That this being a monumental initiative putting KTA at the forefront of road safety, KTA shall adopt best corporate practices and employ the best marketing strategies.
2. That driver certification would be imperative for all trainees and that recertification would be annual and benchmarked on performance.
3. That KTA would work together with other stakeholders to bolster the initiative. Meetings with the Permanent Secretary, Ministry of Transport and Total Kenya (Safe Way Right Way) were proposed at a date to be availed later.
4. That the training would be subsidized at the initial phase, within the first month of inception, and that the first training would target directors of member companies.
5. That COMPETE would seek clarification from KRA on duty related matters. The meeting was informed that COMPETE had intended to release the Simulators, though procured under its name, as a donation to KTA. The meeting opined that there was a need to seek clarification and commitment from KRA that KTA would not run the risk of being taxed once the transfer had been made.
6. That the Consultant would revise the revenue projections taking into consideration the real objective of the Institute- Safety. The areas to be reviewed include; training fee and allocation for promotions among others.
7. That the Consultant would review the timelines as set out in the Implementation Log-frame to set specific time limits for activities to be carried out.
8. That there would be need to balance demand with ability to offer training. The meeting noted that the three (3) simulators would not be sufficient in the future due to the envisaged high enrolment and as such it would be prudent to purchase additional Simulators when the need arises.

The meeting was also informed that USAID-COMPETE had set tentative dates for publicity campaign and launch of the Institute for November, 2012 and January, 2013 respectively.



Participants at the Workshop held on 28th July 2012 at Whitesands Hotel



The KTA HCV Driver Training Institute along Mbaraki Road, Mombasa

On 27th September, 2012, the KTA Chief Executive Officer officially received the three truck Simulators in the presence of USAID-COMPETE official Mr. Jacob Bwana, ECA FAROS engineer, Fredrick Pierre and other KTA Secretariat staff. The installation works for the three simulators commenced immediately and was completed on 3rd October, 2012. The engineer has trained one KTA staff on the operational and technical aspects of the simulators pending recruitment of the substantive trainers.

As far as management of the Institute is concerned, KTA has already shortlisted five (5) and three (3) individuals for the positions of the General Manager and trainers respectively. The Board of Directors shall be proceeding with the interviews shortly.



A fully assembled truck simulator



One of the assembling assistants tries out the simulator

3.2 The Transporter

The Transporter- 16th edition went to the press on the 13th July, 2012. A total of 2, 000 copies were published and distributed for free in the last two (2) weeks of July to all our members, stakeholders and past advertisers. The distribution attained desirable efficiency level.



The 17th Edition is in the final stages of preparation. The publisher has completed the design work and availed it KTA for review. The final PDF will be sent to the print shortly. We envisage that the magazine should be ready for distribution within the third week of October.

4 MEMBER SERVICES

4.1 Member Visits

Member visits by KTA secretariat team is on-going. KTA members have continued to give important feedback to the Secretariat staff during the visits.

4.2 Recruitment of New Members

The month of July saw the recruitment of five (5) new members to KTA. Of the five, two joined as Associate members, while the rest as ordinary members. Three new ordinary members joined in August and one new member in September

4.3 National Industrial Training Authority, NITA (formerly DIT) membership

Since beginning of the month of July 2012, KTA has been consulting with the head of the Inspectorate at NITA Mombasa for updates on requirements by NITA in regard to obligatory remittance of the training levy by employers.

Procedures for claiming reimbursement on training activities are also discussed. This information is passed onto KTA member's compliance and benefit from training levy purposes.

The Secretariat has been urging members to register and/or remit training levies to NITA to avoid penalties arising from default. The necessary documents were forwarded to members with all the necessary facilitation accorded to them. So far, seven KTA members have registered with NITA and the Secretariat is still liaising with transporters and NITA officers to ensure 100% compliance.

4.4 Visit to Bamburi Cement Plant at Athi River

On 17th August 2012 KTA CEO paid a courtesy call to Bamburi Cement plant at Athi River. The CEO was taken through the safety program by Mr. Mathew Munyao, Group health and Safety coordinator. She later visited the plant located at Athi River - the Bamburi Cement Company has contracted thirteen (13) of KTA members as transporters of their Cement.

Bamburi Cement has identified three key players in the safety campaign namely;

i. The truck owner

The company conducts monthly meetings with truck owners. During the meetings, the directors give reports on the performances of their companies on adhering to safety measures.

ii. The driver

All the drivers of their contractors are required to take programs on defensive driving. On completion of the courses, they are awarded with certificates and identification passes. Only drivers who go through the training are allowed to carry Bamburi products.

iii. The truck

On entering the plant to load, every truck is taken through mandatory vehicle inspection. Some of the items checked include tires, breaking system, lights indicators, lifesavers, truck breakdown among others.

Way Forward;

KTA should work closely with Bamburi Cement Co. and introduce safety programs for its members. The establishment of the East African School of Excellence for HVC drivers is a major step towards ensuring safety on the roads. KTA should also work with donors and the government to construct welfare centers along the northern corridor.



Above: KTA CEO Mrs. Jane Njeru and Bamburi Cement Group Health and Safety coordinator Mr. Mathew Munyao, during the tour of the facility.



KTA CEO and Mr. Munyao at the monitoring/control room.